United States Senate

WASHINGTON, DC 20510 June 10, 2003

The Honorable George W. Bush President The White House 1600 Pennsylvania Ave., N.W. Washington, D.C. 20500

Dear Mr. President:

We are writing to express our opposition to any Medicaid reform proposal that seeks to impose a cap on federal Medicaid spending in any form or eliminates the fundamental guarantee to Medicaid coverage for our nation's most vulnerable citizens, including low-income children, parents, pregnant women, people with disabilities, and senior citizens.

Since 1965, the federal government has helped states pay for the basic health care and long-term services low-income Americans need. A cap on federal funding – whether in the form of an allotment, an allocation, or a block grant – would fundamentally undermine that commitment. We are unwilling to allow the federal government to walk away from Medicaid's 43 million beneficiaries, the providers that serve them, and the urban and rural communities in which they live.

Arbitrary limits on federal Medicaid spending fail to automatically adjust for economic recessions, demographic changes, health care inflation, or disasters, including terrorism. No formula can account for the multitude of factors that affect Medicaid costs at different times in different parts of the country. Moreover, capped federal payments profoundly limit a State's ability to respond and be innovative in ways to respond to the growing number of uninsured in this country.

We stand ready to work with you on policies impacting the health and well-being of dual eligibles, who are eligible for both Medicare and Medicaid coverage, and identifying those structural changes that enhance state flexibility without compromising the health and well-being of beneficiaries.

With the number of uninsured growing in the nation and an aging population, we should take steps to stabilize and improve health coverage rather than undermine it. We hope to work with you to achieve that purpose.

Sincerely.

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